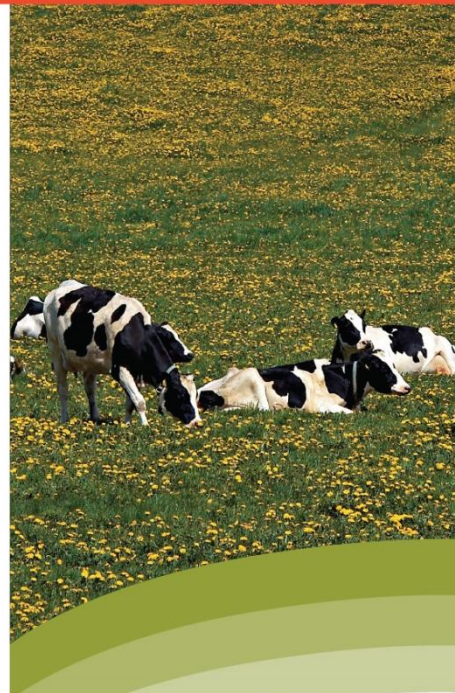
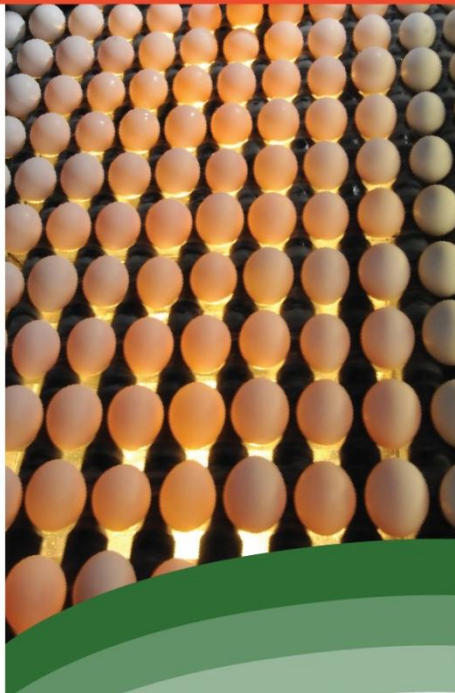


Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses





Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

USDA Pilot Project for the Procurement of Unprocessed Fruits and Vegetables

Vendor Eligibility Requirements and
Participation under the Pilot

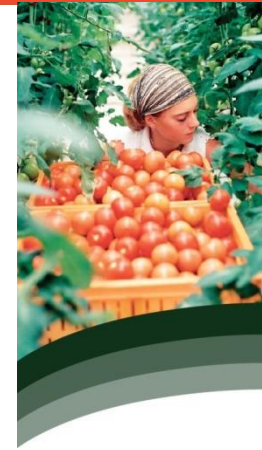


*AMS Commodity Procurement: Together We're Making a Difference-
American Agriculture for the American People*

www.ams.usda.gov/commoditypurchasing

Topics

- Introduction
- Pilot Process
- Vendor Eligibility Requirements
- Application Submission
- Transaction/Distribution Scenarios
- Invoice Submission and Payment
- Reporting



Introduction

Section 32 of the Act of August 24, 1935

- Funds first provided to purchase and distribute American agricultural food products
- Basic recipients were schools, summer camps, charitable institutions, and needy families

Introduction

National School Lunch Act of 1946

“as a matter of **national security**, and to safeguard the health and well being of the **nation’s children**, and to expand the market with nutritious **[US] agricultural commodities**, the school lunch program is established...”

Introduction

Commodity Entitlement

- Dollar amount for each State based on the school lunch meals served in the prior year
- USDA makes purchases against the entitlement

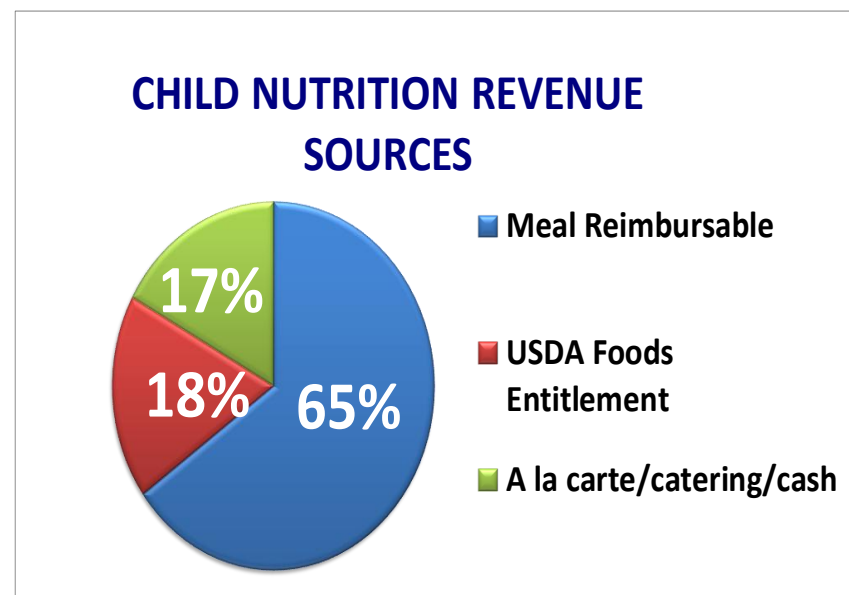
USDA Foods

A BIG Part of the Meal

SY 15 Entitlement Rate:
30.44 cents per meal

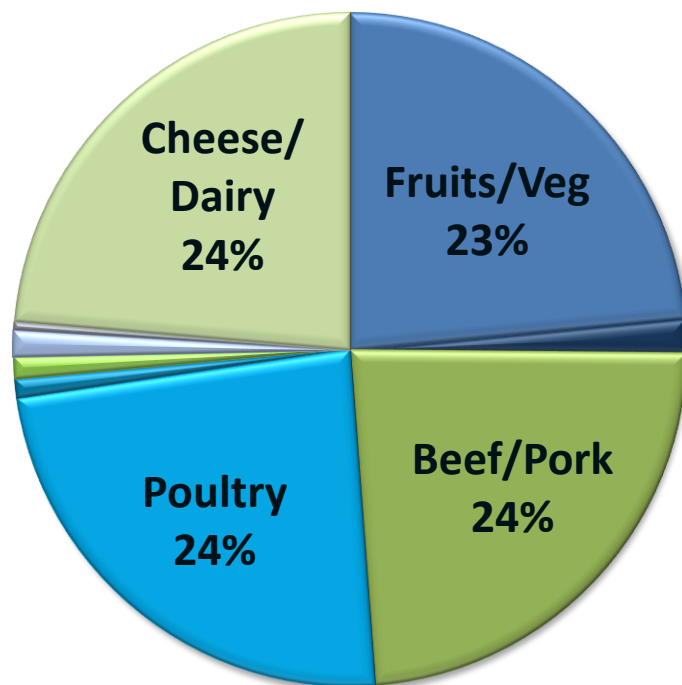
Support equal to 12 % of
TOTAL NSLP \$1.4 billion

USDA Foods provide
approximately 20% of the
value of a school meal

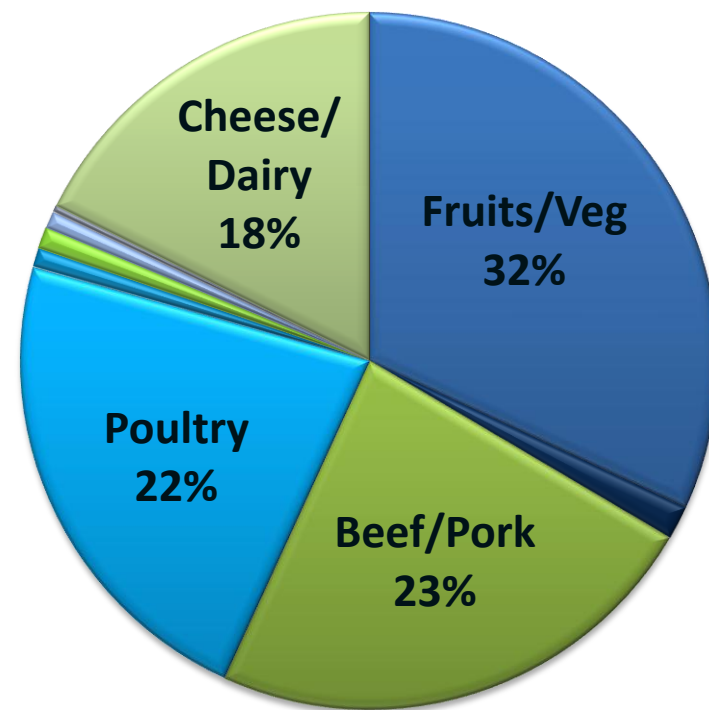


USDA Foods: NSLP Order Trends

FY12 Total Purchases



FY13 Total Purchases



Introduction

Fresh Fruit and Vegetable Challenges

- Full truckload quantities
- Distribution through State warehouses
- Limited participation by schools
- No “local preference” in Federal contracts

Introduction

Programs and Pilots Addressing the Challenges

- 1994- Partnership with DoD
 - Less-than-truckload (LTL); DoD distribution system; high quality; encourages “local”
- 2006- Fresh Cut Pilots
 - LTL, school’s distributions systems, USDA contract, no local preference
- 2011- MI/FL Pilot
 - LTL, school distribution, USDA *and* school contract; local preference in school contract.
- AND NOW....

Introduction

The Agricultural Act of 2014 (Farm Bill)

- Provide flexibility for using USDA Foods entitlement dollars for the procurement of unprocessed fruits and vegetables (includes fresh cut, dried, and frozen)
- Use of existing supply chains
- Allow geographic preference (aka “local”)

Introduction

USDA Offices/Roles:

- FNS: support the State- and lower- level procurement agencies; pilot project reporting
- AMS: maintain eligible vendors list and manage invoice/payment

Selected States:

- Based on dedication to farm-to-school, quantity and variety of growers in the state, and diversity of participating SFAs
- One from each region of the country:
CA, CT, MI, NY, OR, VA, WA, WI

Introduction

Timeline for the Pilot:

- Starts School Year (SY) 2014-2015; continue in SY2015-2016
- There is no end date identified
- Actual Timelines for purchasing/transactions will vary by State (availability of entitlement and other factors)

Introduction

Why Participate?

- Support the growing demand for fresh products from your school foodservice customers
 - Develop connections with Food Nutrition Directors and Food Service Staff within your local school district
 - Build a foundation for future business relationships
- Market your products/services to schools and students (and families)
 - Access a stable market with high-volume demand
 - Opportunity to build or broaden your customer base
 - Show support your community and improve childhood nutrition
- Feature your company as a USDA-approved, “eligible vendor” for the Pilot Project for the Procurement of Unprocessed Fruits and Vegetables

Pilot Process

VENDOR ELIGIBILITY REQUIREMENTS: VENDOR SUBMITS APPLICATION AND IS PLACED ON THE AMS ELIGIBLE VENDOR LIST FOR THE PILOT



CONTRACTING: STATES/SCHOOLS FOLLOW USDA/FNS PROCUREMENT PROCEDURES



TRANSACTION: STATES/SCHOOLS COORDINATE WITH VENDOR FOR DELIVERY, PER THEIR CONTRACT



INVOICE/PAYMENT: ONCE DELIVERY IS MADE, VENDOR SUBMITS INVOICE DIRECTLY TO USDA, AMS FOR PAYMENT



REPORTING: AMS PROVIDES INVOICE PAID REPORT TO STATES AND FNS; STATES PROVIDE SFA REPORTS TO USDA. → RECONCILIATION

Vendor Requirements

All Vendors

- ✓ Application Form A
- ✓ Self-Certification Form B
- ✓ Domestic Origin Certification Form C
(Only U.S. Grown & Produced Product)
- ✓ Product Segregation Plan – if also handle non-domestic product

Vendor Requirements

All Vendors

Application Form A:

- ✓ Company Name & Address
- ✓ Representative Name & Contact Information
- ✓ List of Products to Be Supplied
(Only U.S. Grown & Produced Product)
- ✓ Signature of Representative and Date

Vendor Requirements

All Vendors

Self Certification Form B:

- ✓ PACA License
- ✓ FDA Food Facility Certification
- ✓ Comply with Federal, State, & local laws
- ✓ Food Safety Plan Available
- ✓ Carry Product Liability Insurance

Vendor Requirements

All Vendors

Domestic Origin Certification Form C:

- ✓ Process or Handle Products Originating from Sources Other than the US or its Territories
 - Your Company
 - Your Suppliers

Vendor Requirements

All Vendors

Product Segregation Plan:

If you handle both domestic and non-domestic product a **Product Segregation Plan** is required.

Plan should provide information on:

- How product is identified receipt through delivery
- Written procedure (SOP) explaining:
 - how you document that product is domestic
 - how you verify that product received from different growers & suppliers is U. S. grown & produced

Vendor Requirements

Growers

- ✓ **Food Safety Certification – must include Food Defense**
 - USDA Good Agricultural Practices (GAPs)
 - USDA Produce GAPs Harmonized Audit
 - **OR** Global Food Safety Initiative (GFSI)
 - Global GAP
 - Primus GFS GAP
 - SQF GAP for Farming of Plant Products

Vendor Requirements

Growers

- ✓ Provide **Form D** List of Suppliers/Subcontractors if obtaining product from other sources (other growers, or distributor)
- ✓ For each supplier/subcontractor provide:
 - Name
 - Food Safety Certification
 - List of Product(s) Supplied - for this program
 - Domestic Origin Certification Form C
 - Product Segregation Plan - if also handle non-domestic product

Vendor Requirements

Distributor/Wholesaler/Food Hub

- ✓ **Food Safety Certification – must include Food Defense**
 - USDA Good Handling Practices (GHP)
 - **OR** Global Food Safety Initiative (GFSI)
Primus GFS Good Manufacturing Practices (GMP)
SQF GMP Wholesale & Distribution

Vendor Requirements

Distributor/Wholesaler/Food Hub

- ✓ Provide **Form D** List of Suppliers/Subcontractors
- ✓ For each supplier/subcontractor provide:
 - Name
 - Food Safety Certification
 - List of Product(s) Supplied - for this program
 - Domestic Origin Certification Form C
 - Product Segregation Plan - if also handle non-domestic product

Vendor Requirements

Processor (Dried or Frozen)

- ✓ **Food Safety Certification – must include Food Defense**
 - USDA Good Handling Practices (GHP)
 - **OR** Global Food Safety Initiative (GFSI)
 - Primus GFS Good Manufacturing Practices (GMP)
 - SQF GMP Wholesale & Distribution

Vendor Requirements

Processor (Dried or Frozen)

- ✓ Provide **Form D** List of Suppliers/Subcontractors
- ✓ For each supplier/subcontractor provide:
 - Name
 - Food Safety Certification
 - List of Product(s) Supplied - for this program
 - Domestic Origin Certification Form C
 - Product Segregation Plan - if also handle non-domestic product

Vendor Requirements

Fresh-Cut

- ✓ **Food Safety Certification -must include Food Defense**
 - USDA Qualified Through Verification (QTV)
 - Hazard Analysis Critical Control Point (HACCP) Survey
 - **OR** Global Food Safety Initiative (GFSI)
Primus GFS HACCP
SQF GMP Processing of Food Products
(Level 2 or 3)

Vendor Requirements

Fresh-Cut

HACCP Plan includes:

- ✓ End Product for:
 - Total Aerobic Plate Count (TPC)
 - *E.coli*
 - Listeria
 - Salmonella
- ✓ Antioxidant Solution for:
 - Total Aerobic Plate Count (TPC)
 - *E.coli*
 - Listeria

Vendor Requirements

Fresh-Cut

- ✓ Provide list of supplier(s)/subcontractor(s) Form D
- ✓ For each supplier/subcontractor provide:
 - ✓ Name
 - ✓ Food Safety Certification
 - ✓ List of Product(s) Supplied - for this program
 - ✓ Domestic Origin Certification Form C
 - ✓ Product Segregation Plan - if also handle non-domestic product

Vendor Applications

The application forms and supporting documentation shall be submitted electronically to
FVPilotProject@ams.usda.gov.

www.ams.usda.gov/commoditypurchasing

USDA United States Department of Agriculture
Agricultural Marketing Service **USDA ORGANIC**

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Commodity Purchasing

AMS Commodity Procurement

Overview

The U.S. Department of Agriculture, Agricultural Marketing Service (AMS) purchases a variety of domestically produced and processed commodity food products, through a competitive process among approved vendors. These purchase activities support American agriculture by providing an outlet for surplus products and encouraging domestic consumption of domestic foods. The wholesome, high quality products, collectively called USDA Foods, are delivered to schools, food banks, and households in communities across the country and are a vital component of our nation's food safety net.

[Subscribe to AMS CP NEWS \(link\)](#)([More Info](#))

Interested in USDA's Pilot Project for the Procurement of Unprocessed Fruits and Vegetables? Visit the AMS webpage to learn more: [Pilot Project Webpage](#)

What's New

- January 22, 2015 - Notice to the Trade (AMS, LPS): Vendor Outreach Webinar Series: Selling to AMS- Seeking Diverse Suppliers for USDA Purchase Programs (PDF)

Resources

- CP Staff Key Contacts (PDF)
- Annual Industry Meeting
- Meat and Aquatic Eligible Suppliers List (PDF)
- Fruit and Vegetable Eligible Suppliers List (PDF)
- Poultry and Egg Eligible Suppliers List (PDF)
- [Pilot Project Eligible Vendor List \(Excel\)](#)

[More..](#)

Useful Links

- Food and Nutrition

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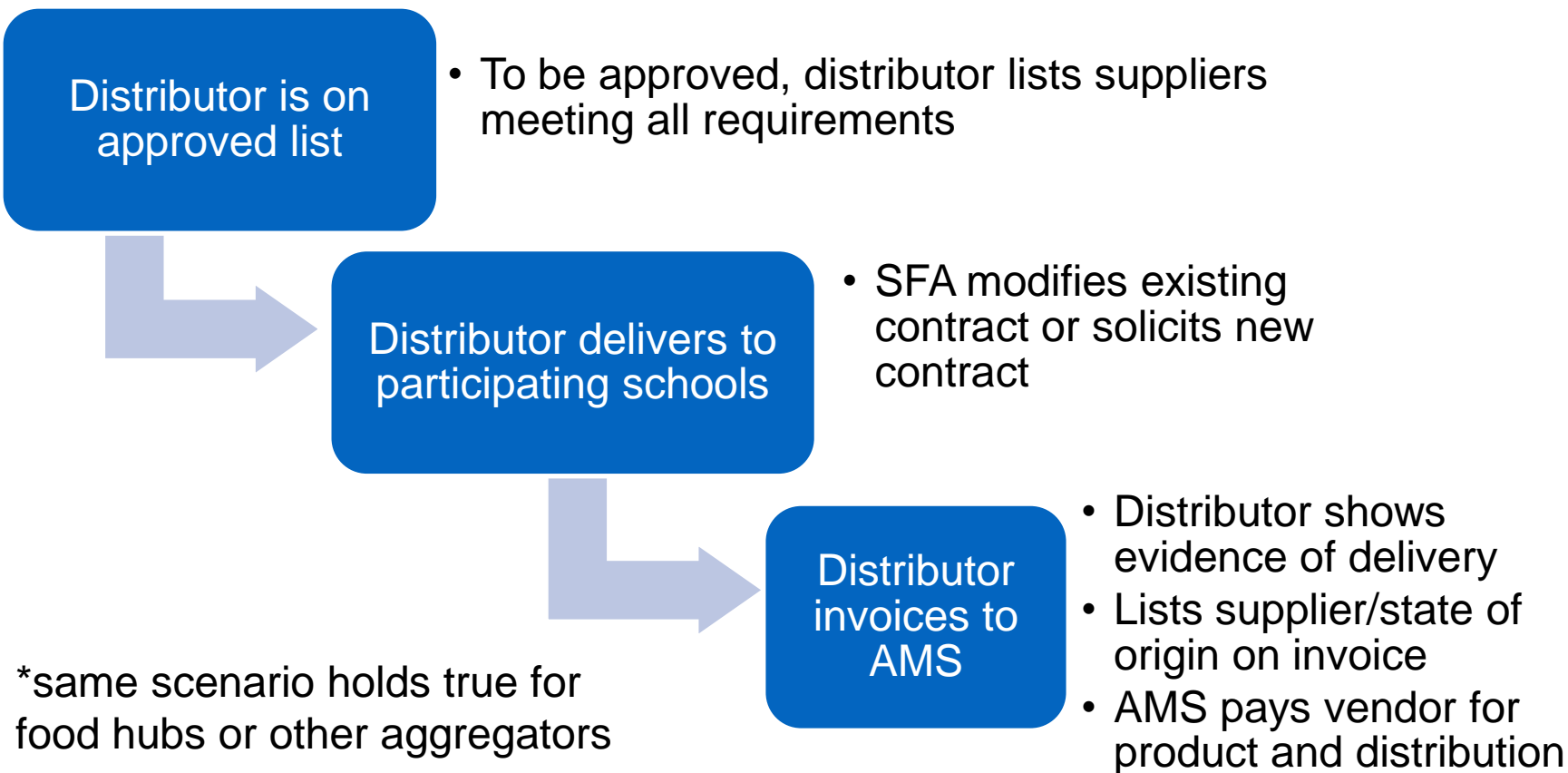
Contracting

- **No federal procurements under the pilot:**
 - State- or lower-level procurement (contracting) takes place.
 - Key goal: leverage pre-existing commercial distribution channels and school relationships with growers/produce wholesalers/distributors.
- **Pilot supports the use of locally-grown foods in NSLP:**
 - State- or lower-level procurement may include “geographic preference”
 - (however, is not required to by the Farm Bill)

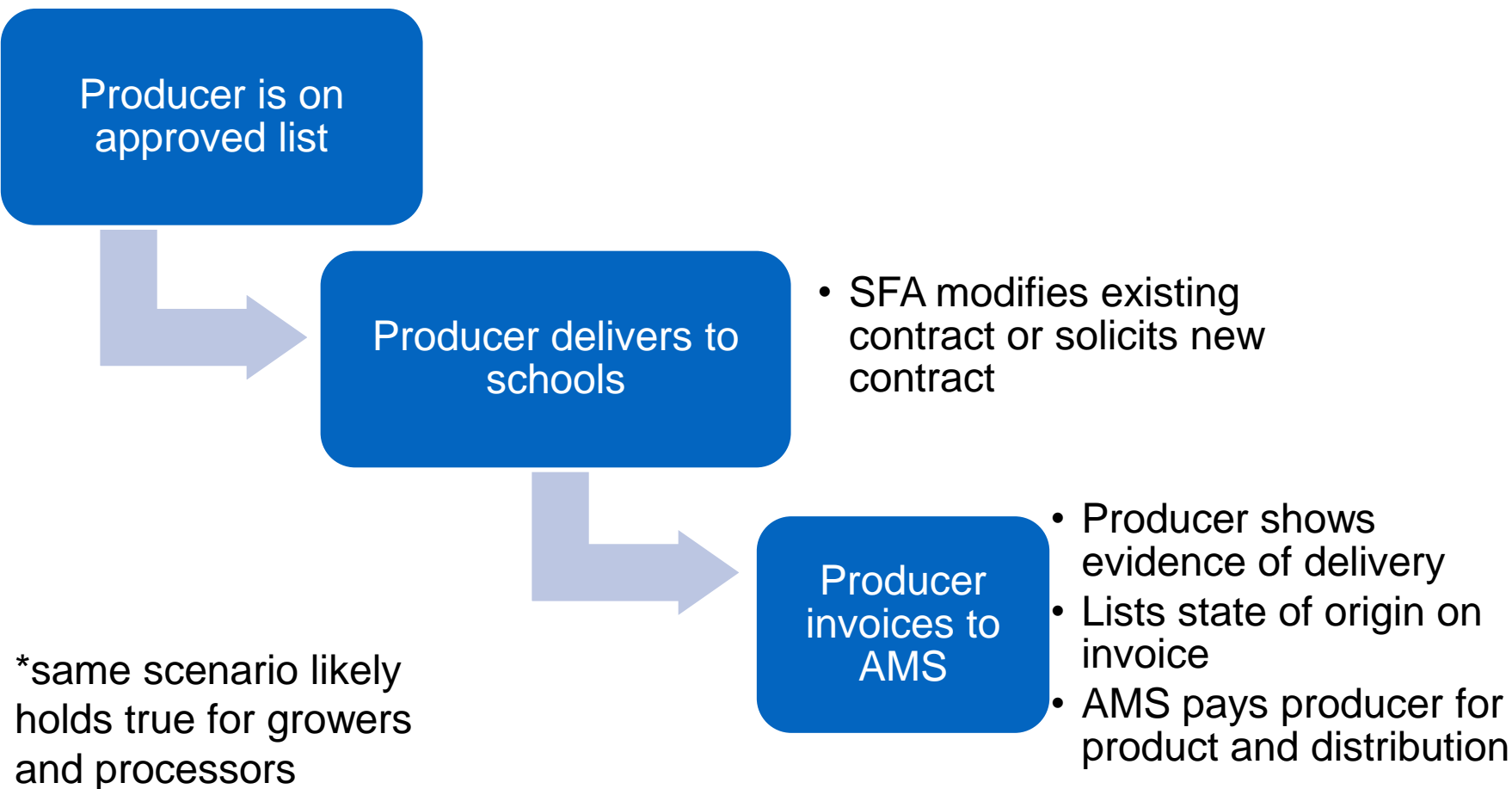
Transaction/Distribution Scenarios

1. **Distributor** on AMS Eligible Vendor List
2. **Producer** on AMS Eligible Vendor List
3. **Producer** on AMS Eligible Vendor List, selling through **distributor *not*** on AMS Eligible Vendor List
4. **Producer** on AMS Eligible Vendor List, selling through **distributor *on*** the AMS Eligible Vendor List

1) Distributor* on AMS Eligible Vendor List



2) Producer* on AMS Eligible Vendor List



3) Producer on AMS Eligible Vendor List, selling through distributor NOT on AMS Eligible Vendor List

Producer on approved list

- In this scenario it is likely that the producer does not have distribution capabilities

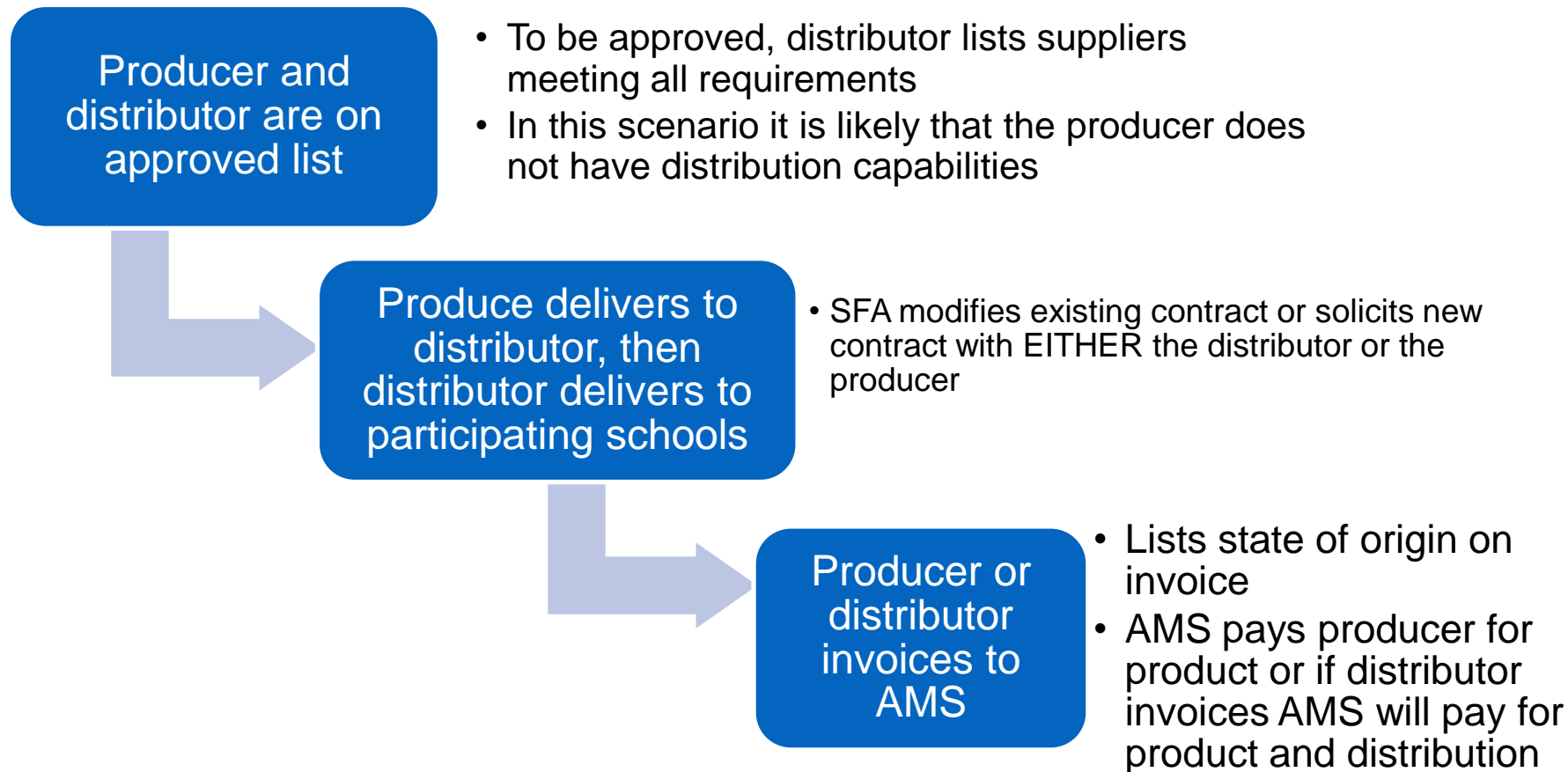
Producer delivers to distributor, then distributor delivers to participating schools

- SFA modifies existing contract or solicits new contract with the **producer**
- SFA modifies contract with distributor to account for additional product and distribution fee for pilot produce

Producer invoices to AMS

- Producer shows evidence of delivery to school
- Lists state of origin on invoice
- AMS pays producer for product

4) Producer on AMS Eligible Vendor List, selling through distributor on the AMS Eligible Vendor List



Invoicing and Payment

- ✓ MUST register in the **System for Award Management** (www.SAM.gov), which requires a DUNS number.
- ✓ The **WBSCM Vendor Registration Form** must be submitted to Dianna.Price@ams.usda.gov.

Invoicing and Payment

- Send [Vendor/SDA Reporting Template](#) to AMS

Vendor/SDA Reporting Template: Pilot Project for Procurement of Unprocessed Fruits and Vegetables								
Name:								
Contact:								
Email Address:								
Phone Number:								
	<i>Vendor Name</i>	<i>Recipient SFA</i>	<i>City</i>	<i>Product Description</i>	<i>Product State of Origin</i>	<i>Quantity</i>	<i>Total Cost</i>	<i>Delivery Date</i>
1	Vendor Y	School X	City Y	Lettuce Green Boston 24 Ct	State Z	15	\$196.80	4/15/2015
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

Invoicing and Payment

- Send Completed Vendor/SDA Reporting Template to: FVPilotProject@ams.usda.gov
- Payment is made via electronic funds transfer (EFT) directly to the bank listed in SAM
- A “disbursement statement” is mailed to the vendor.
- Payment terms: net 10 days from submission of complete and accurate report to AMS.

Reporting

- AMS will pay the Eligible Vendor based on the information on the report
- AMS will stop payment when State entitlement set aside for pilot is expended
- AMS will send the reports to the FNS and each State for reconciliation with information from the SFAs.

Contacts

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Contacts

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QUESTIONS?

